GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3150
ANSWERED ON:10.08.2001
TRADE WITH IRAN
SULTAN SALAHUDDIN OWAISI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(

(a) whether trade with Iran is lagging behind due to lack of credit facilities; (

(b) if so, whether during the recent visit of Prime Minister to Iran, the Indian businessmen met him and requested for providing credit facilities to them; (

(c) whether BHEL has been the first credit line which is bidding for 400 MW power plant in Iran; and (

(d) if so, the steps so far taken by the Government to boost trade between India and Iran after the visit of Prime Minister?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) : Despite complementarities in Indian and Iranian economies, the volume of trade between the two countries, excluding crude oil trade, is miniscule. Since 1997-98, India`s commodity exports to Iran are on the decline mainly due to uncompetitive prices and lack of export credit. As regards other products like capital / engineering goods, textile and printing mahinery, electronics, etc., despite Iranian businessmen`s inclination for sourcing their requirements from India, the potential could not be exploited mainly because of absence of offer of export credit, medium to long-term (5-8 1/2 years), by India. In contrast, western countries and some of the Asian countries have stepped up their exports of capital goods, services, projects and commodities through offer of credit facilities.

(b): Yes, Sir.

(c): At present BHEL is not in the process of bidding for any 400MW power plant under a Line of CreditHowever, BHEL would like to utilise the Line of Credit of US $ 200 million announced during the visit of Hon`ble Prime Minister of India to Iran, for power project supplies, as and when it is operationalised.

(d) : Pursuant to the visit of Hon`ble Prime Minister to Iran, action for all the measures discussed during the visit, has been initiated and is in progress. BHEL, Embassy of India, Tehran, FICCI etc., have been discussing with various Iranian Organisations and apprising them of India`s capabilities in various fields and also intensified efforts to convey emerging opportunities in the Iranian market. The Line of Credit announced during Hon`ble Prime Minister`s visit shall further give boost to bilateral trade.